

2 December 2016

Dear Shareholder

NON-RENOUNCEABLE ENTITLEMENTS ISSUE – NOTICE TO INELIGIBLE SHAREHOLDERS

As announced on 30 November 2016, New Standard Energy Limited (ACN 119 323 385) (ASX Code: NSE) (**New Standard** or **Company**) is undertaking a pro rata non-renounceable entitlements issue to raise \$955,224 (before the costs) (**Offer**).

Under the Offer eligible shareholders will be able to subscribe for one (1) fully paid ordinary share in the capital of the Company (**Share**) for every two (2) Shares they hold at an issue price of 0.4 cents per Share (**Issue Price**). The Issue Price represents a 25% discount to the volume weight average trading price (**VWAP**) for the thirty days trading to 28 November 2016.

The Company lodged a prospectus for the Offer with ASIC and ASX on 30 November 2016 (**Prospectus**).

The Offer is fully underwritten by China International Economic Hui Zhou Energy Investment (Beijing) Co., Ltd (**Underwriter**). The Underwriter is an entity controlled by Chairman, Mr Hui Song and is currently New Standard's largest shareholder. The Company must pay the Underwriter an underwriting fee of 4% of the total amount raised pursuant to the Offer.

The funds raised under the Offer will be used to continue the Company's exploration programs and to provide the Company with working capital and funding to review other opportunities available to the Company.

The Offer is being made to eligible shareholders of the Company named on its register of members at 5:00pm (WST) on 6 December 2016 (**Record Date**), whose registered address is in Australia and New Zealand.

Shares issued under the Offer will rank equally with existing Shares on issue on the Record Date.

The Company will make application for official quotation of the new Shares proposed to be issued under the Offer. Share entitlements are non-renounceable and will not be tradeable on the ASX or otherwise transferable.

A shortfall offer will be available allowing eligible shareholders to apply for additional Shares (**Shortfall Shares**) over and above their entitlements (additional Shares will be allotted to the extent there is a shortfall under the Offer) (**Shortfall Offer**). Further details of the Shortfall Offer are set out in the Prospectus.

Shareholders who do not take up all or any part of their entitlement will not receive any payment or value in respect of the entitlement not taken up and their equity interest in the Company will be diluted.

238,806,001 Shares will be issued pursuant to the Offer (based on the number of Shares on issue at the Record Date) resulting in total Shares on issue of approximately 716,418,004 following completion of the Offer.

New Standard Energy Ltd. | ACN 119 323 385

6 Outram Street, West Perth WA 6005 | PO Box 1542, West Perth WA 6872

Tel + 61 8 9481 7477 | Fax + 61 8 9486 7670 | newstandard.com.au



NEW STANDARD
ENERGY

INELIGIBLE SHAREHOLDERS

A Shareholder who has a registered address outside Australia and New Zealand (**Ineligible Shareholder**) will not be eligible to participate in the Offer.

Pursuant to Listing Rule 7.7.1(a) of the ASX Listing Rules the Company has decided that it is unreasonable to extend the Offer to Ineligible Shareholders, having regard to the number of such shareholders, their holdings and the cost of complying with the legal requirements and requirements of regulatory authorities of the various jurisdiction required to extend the Offer to the Ineligible Shareholders.

The purpose of this letter is to inform you that you are not eligible to participate in the Offer as you are deemed to be an Ineligible Shareholder by virtue of the jurisdiction that your shares are registered in. We apologise for this outcome but it is a practical decision as you can appreciate.

Whilst we sincerely appreciate your support as a shareholder this letter is neither an offer to issue Shares to you nor an invitation for you to apply for the Shares under the Offer.

You do not have to take further action in relation to the Offer.

If you have any queries concerning Offer, please contact your financial adviser or Mindy Ku of Corporate Board Services at mindyk@corpbservices.com.

Yours sincerely,

Mr Bruce Li
Managing Director